

The Herald

Job fears as date set for city culture transfer to a charity

Plans to transfer Glasgow's culture and leisure department to an arms-length company with charitable status are expected to be pushed through by April 1.

And it is claimed that the timescale, which was revealed yesterday, is designed to complete the changeover before the council elections in May. Unions are also fearful of the impact on the department's 2500 staff.

If given the go-ahead, the charity Culture and Sport Glasgow will run all Glasgow's museums, including Kelvingrove and the Burrell; libraries, including the Mitchell; leisure centres, sports pitches, community halls, municipal golf courses and events such as the Hogmanay celebrations, the World Pipe Band Championships and the Great Scottish Run.

By becoming a charity, the council's culture and leisure department says it would be able to raise cash from funders, such as the Carnegie Foundation and the Lottery, which a local authority cannot, and would save millions in rates relief and VAT. It would also offer flexibility for opportunities for sponsorship and developing partnerships.

It is estimated that in its first year the charity, which would have a turnover of £90m and a staff of around 2500, would generate savings of £7.5m, rising to £11.5m within five years.

By 2011 it could be saving £7.6m in rates, with over £1m pulled in from donations and a further £1m from developing the golf courses. Income generated, such as by hiring out venues, would go through a "wholly-owned trading subsidiary".

Several councils in Scotland, including Renfrewshire, East Renfrewshire and Aberdeen City, have transferred sections of their culture and leisure departments to arms-length operations but there has been nothing of this scale north of the border.

The report also counters previous criticisms that Glasgow's civic treasures would be handed over to a private company, and subject to the associated risks, by insisting all assets, namely the buildings and collections, remain in the council's ownership and are leased to the charity for 25 years at a peppercorn rent.

Six of the 10 directors would also be councillors, directly appointed by the authority.

However, the timescale for the creation of the charity has raised concerns. Having gone through the council's Labour executive, it is expected to be

ratified by the ruling Labour group on Monday before going to the executive committee on February 2.

If approved, the charity will be established by April 1 with the company being fully operational by May 31.

It is understood council leader Steven Purcell sold the principle of a trust to his Labour colleagues as a way of deliberately reducing the power of the next administration, which is likely to be a coalition. One angry Labour councillor told The Herald that was why the trust plan was being rushed through before May's elections.

Despite pledges of union consultation, the preservation of pension fund benefits and the proposal to transfer all staff under TUPE regulations, unions continue to have their misgivings.

Mike Kirby, Glasgow branch secretary for Unison, said similar operations south of the border had often failed to meet the expected revenue projections and the first things to go were jobs and conditions.

He added: "We also have a wider concern with the externalising of council services."

John Mason, leader of the opposition in Glasgow City Council, said: "Why the big hurry? It seems council leader Steven Purcell wants to push many big decisions through before the elections on May 3.

"This is profoundly undemocratic. Where is the room for consultation? Is this what the citizens of Glasgow want? It would be better to take time, consult, and reflect before making a decision."

While concluding that a charity is the way forward, the report recognises the timing risk, stating: "The relatively short timescale has meant that the legal due diligence process is less comprehensive than it might otherwise have been".

George Black, chief executive of Glasgow City Council, last night said he believed the model would open the door for fresh investment in the city's cultural estate.

"All of our cultural assets will remain the property of the people of Glasgow. This move will release resources which can be reinvested in frontline services."

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By GERRY BRAIDEN, Local Government Reporter

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